

## Message Text

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73

ACTION ARA-17

INFO OCT-01 ADP-00 CCO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-09 H-02 INR-09 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-14 NIC-01 OMB-01 AID-20 SSC-01

RSR-01 /094 W

----- 036217

O R 272132 Z MAR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 3835

INFO AMEMBASSY ASUNCION

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY MONTEVIDEO

USCINCSO

C O N F I D E N T I A L SANTIAGO 1266

USCINCSO FOR POLAD

EO 11652: GDS

TAGS: CI, PINT

SUBJECT: NEW CABINET INSTALLED

1. SUMMARY. FIVE NEW MINISTERS SWORN IN MARCH 27 CABINET CHANGE. MILITARY IS OUT OF CABINET, COMMUNISTS AND SOCIALISTS MAINTAINED PREVIOUS QUOTA, AND API, IC, AND PR MINI- PARTIES EACH GAINED A PORTFOLIO. NEW CABINET HEADED BY PS SOFT- LINER GERARDO ESPINOZA AS MININTERIOR. FONMIN ALMEYDA WAS RETAINED. ALLENDE STATED MILITARY WILL RETAIN IMPORTANT ROLE IN ECONOMIC DEVELOPMENT FUNCTIONS. END SUMMARY.

2. BIO SKETCHES NEW MINISTERS:

A) MINISTER OF INTERIOR - GERARDO ESPINOZA CARRILLO ( PS)  
( EARLY 40' S). ESPINOZA WAS DEFEATED IN HIS MARCH 4 ATTEMPT TO  
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WIN ANOTHER TERM AS DEPUTY FROM CONCEPCION. CURRENTLY RE-  
GARDED AS ALIGNED WITH ANICETO RODRIGUEZ FACTION WITHIN THE PS, HE  
WAS REPORTEDLY ACTIVE IN URBAN LAND SEIZURES DURING THE FREI ERA.  
A PDC DEPUTY WHO KNOWS HIM WELL DESCRIBES HIM AS A QUIET MAN, EASY  
TO DEAL WITH AND GENERALLY MODERATE IN HIS SOCIALIST VIEWS. HE  
REPLACES GEN CARLOS PRATS GONZALEZ.

B) SECRETARY GENERAL OF GOVERNMENT - ANIBAL PALMA  
FOURCADE ( PR)(37) - PALMA IS THE FORMER UNDER SECRETARY OF  
FOREIGN RELATIONS WHO BECAME A CONTROVERSIAL MINISTER OF  
EDUCATION AND MORE RECENTLY UNSUCCESSFUL SANTIAGO PR SENATORIAL  
CANDIDATE. HE REPLACES HERNAN DEL CANTO ( PS) , HISTORICALLY A  
PS HARLINER.

C) MINISTER OF MINES - SERGIO BITAR ( IC) (31) - BITAR IS  
WIDELY RECOGNIZED AS A COMPETENT TECHNICIAN WHO WAS CORFO' S  
CHIEF OF INDUSTRIAL PLANNING UNDER FREI. CURRENTLY HE IS PROFESSOR  
OF ENGINEERING AND ECONOMICS AT UNIV CHILE AND HEAD OF IC' S ECONOMIC  
PLANNING COMMITTEE. HAS STUDIED IN US AND HAD ONE YEAR OF POST-  
GRADUATE STUDY IN FRANCE. HE REPLACES GEN CLAUDIO SEPULVEDA.

D) MINISTER OF LANDS AND COLONIZATION - ROBERTO CUELLAR ( API)  
( ABOUT 30). CUELLAR HAS RECENTLY BEEN UNDER SECRETARY OF PUBLIC  
WORKS. HE IS A LAWYER WHO WAS CENSURED BY OPPOSITION- CONTROLLED  
BAR ASSOCIATION FOR HIS HARD LINE DURING OCTOBER SHUTDOWN. HE RE-  
PLACES HUMBERTO MARTONES WHO MOVED TO PUBLIC WORKS.

E) MINISTER OF AGRICULTURE - PEDRO HIDALGO RAMIREZ ( PS)  
( MID-30' S). HIDALGO IS AN AGRICULTURAL ENGINEER WITH TEN YEARS  
OF EXPERIENCE IN GOC AGRICULTURAL AGENCIES INCLUDING CORA WHERE  
HE WAS DIRECTOR OF PLANNING AND CONTROL AND INDAP WHICH HE HAS  
HEADED SINCE AUGUST 1972. IN 1965 HE STUDIED AHRICULTURAL CREDIT  
SYSTEMS IN MEXICO, VENEZUELA AND OTHER LATAM COUNTRIES. IN  
1 970 HE WAS A MEMBER OF A FAO- BID COMMISSION WHICH STUDIED  
PERUVIAN LAND REFORM PROGRAMS. HE IS THOUGHT TO BE A PS HARD-  
LINER. HE REPLACES ROLANDO CALDERON ( PS), ASSOCIATED WITH  
ALTAMIRANO.

F) MINISTER OF PUBLIC WORKS AND TRANSPORTATION - HUMBERTO  
MARTONES MORALES ( PR). MARTONES MOVED FROM MINISTRY OF LANDS  
AND COLONIZATION WHERE HE HAS BEEN MINISTER SINCE START OF ALLENDE  
GOVT. HE REPLACES ADM DANIEL ARELLANO.  
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3. HOLDOVER MINISTERS ARE CLODOMIRO ALMEYDA MEDINA ( PS) IN FOREIGN RELATIONS, ORLANDO MILLAS CORREA ( PCCH) IN ECONOMY, FRANCISCO FLORES LABRA ( " MODERATE" FACTION OF MAPU) IN FINANCE, JORGE TAPIA VALDES ( PR) IN EDUCATION, SERGIO INSUNZA BARRIOS ( PCCH) IN JUSTICE, JOSE TOHA GONZALEZ ( PS) IN DEFENSE, LUIS MATTE VALDES ( INDEPENDENT LEFT) IN HOUSING, LUIS FIGUEROA MAZUELA ( PCCH) IN LABOR, AND ARTURO JIRON VARGAS ( INDEPENDENT LEFT) IN PUBLIC HEALTH. ALSO KEPT ON WERE GONZALO MARTNER ( PLANNING - PCCH) AND PEDRO VUSKOVIC ( CORFO- PS), BOTH OF WHOME HOLD CABINET RANK AND BOTH OF WHOM SIGNED RESIGNATION LETTER ( SANTIAGO 1240).

4. PREVIOUS CABINET ( EXCLUDING MARTNER AND VUSKOVIC) COMPOSED OF 3 MILITARY, 4 PS, 3 PCCH, 2 PR, 1 MAPU, AND 2 INDEPENDENTS. NEW COMPOSITION IS 4 PS, 3 PCCH, 3 PR, 1 MAPU, 1 API, 1 CHRISTIAN LEFT, AND 2 INDEPENDENTS. AS NOTED ABOVE, MAJOR UP PARTIES, PS AND PCCH, MAINTAINED FORMER NUMBER OF PORTFOLIOS; DEPARTURE OF THREE MILITARY MINISTERS MADE ROOM FOR ONE MINISTER EACH FROM API AND IC PLUS ONE ADDITIONAL RADICAL.

5. IN REMARKS PRIOR TO SWEARING- IN OF NEW MINISTERS, PRESIDENT ALLENDE STRESSED THAT FORMER CABINET, INSTALLED NOV 2, HAD FILLED ITS MISSION OF PRESERVING PUBLIC ORDER IN WAKE OF OCTOBER SHUTDOWN AND GUARANTEEING FREE AND PEACEFUL CONGRESSIONAL ELECTIONS LAST MARCH 4. ALLENDE UNDERLINED THAT MILITARY, ALTHOUGH NO LONGER IN CABINET, WILL CONTINUE TO PLAY IMPORTANT ROLE IN ECONOMIC DEVELOPMENT ACTIVITIES, NOTING ESPECIALLY TRANSPORTATION AND DISTRIBUTION FUNCTIONS. PRAISING MILITARY ROLE IN PAST CABINET LAVISHLY AND SINGLING PRATS OUT FOR ESPECIAL COMMENDATION, ALLENDE SAID STRONG SUPPORT FOR UP IN MARCH 4 ELECTIONS HAD CREATED NEW POLITICAL CONDITIONS IN WHICH " CONVENIENT" TO INSTALL NEW CABINET. ALLENDE STRESSED THAT PRINCIPAL TASK OF NEW CABINET WILL BE TO RESOLVE SERIOUS ECONOMIC PROBLEMS FACING CHILE.

6. COMMENT: DEPARTURE OF MILITARY IS, OF COURSE, MAJOR ITEM IN CABINET CHANGE. MILITARY DEPARTURE UNDOUBTEDLY PLEASES ALTAMIRANO FACTION OF PS AND OTHER UP HARD- LINERS, BUT AT FIRST GLANCE THEY CAN TAKE COMFORT IN LITTLE ELSE SINCE NEW APPOINTEES ARE NOT NOTABLY " HARD- LINERS." RE- TENTIONS OF FLORES FROM MAPU " MODERATE" SECTOR AND APPOINTMENT OF " SOFT- LINER" SOCIALIST ESPINOZA NOTABLE IN THIS REGARD.  
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PORTFOLIOS FOR MINI- PARTIES PROBABLY IS A CONSCIOUS ALLENDE ATTEMPT TO MAINTAIN " MULTI- PARTY" CAST OF UP COALITION IN SPITE OF MINI- PARTIES' POOR PERFORMANCE AT POLLS MARCH 4.  
DAVIS

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

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**Status:** <DBA CORRECTED> srp 971230  
**Subject:** NEW CABINET INSTALLED  
**TAGS:** PINT, CI  
**To:** ARA  
SECSTATE WASHDC INFO BRASILIA  
BUENOS AIRES  
LA PAZ  
MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

